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Costa Rica

COFFEE ANNUAL

Coffee Production and Trade Situation

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Report Highlights:

Costa Rica's 2008/2009 coffee production declined 13.1% to 1,622,000 60 kg. bags as compared to the 2007/2008 crop. Production is forecast to increase to 1,730,000 60 kg. bags during the 2009/2010 crop year.

Executive Summary:

According to industry sources, the higher cost of inputs experienced between 2006 and 2008, resulted in lower input use by producers, negatively affecting yields during the 2008/2009 crop. Also, Costa Rican coffee plantations are getting older. According to the Costa Rican Coffee Institute (ICAFE), 40% of the plantations are over 20 years old and need renovation. ICAFE is trying to obtain financing for a plan to renovate the older plantations and stop the decline in total production and average productivity.

Commodities:

Select

Production:

After increasing to 1,867,000 60 kg bags in 2007/2008 (Note: for the purpose of this report bags refers to 60 kg bags) from 1,782,000 bags in 2006/2007, coffee production declined to 1,622,000 bags in 2008/2009. The steep decline was the result of several factors including aging of the coffee plants, lower use of inputs caused by the higher international price of fertilizers, and negative weather conditions around harvest time, which resulted in the loss of ripe coffee in different areas. Although it is still early in the coffee cycle, the 2009/2010 forecast is for the crop to increase by 6.7% to 1,730,000 bags. The decline in input prices has allowed producers to improve maintenance of their plantations. A good initial flowering of the plants predicts a higher crop in 2009/2010. Area planted is not expected to change significantly over the next few years, as the downward trend has apparently come to an end, at least under current conditions.

Consumption:

Coffee consumption was 274,553 bags in 2007/2008, a 15.3% decline as compared to the previous marketing year. Consumption is estimated to reach 316,000 bags during 2008/2009. Domestic consumption is expected to increase even though tourism, which has become an important factor affecting total consumption (many tourists purchase coffee during their visit to Costa Rica to take home as gifts or for personal consumption) is expected to decline in 2009. Costa Rica received over 2.0 million tourists in 2008. Per capita coffee consumption is considered to be high at about 4.2 kg per person per year.

Trade:

Costa Rica exported 1,588,131 bags of coffee in 2007/2008, most of which went to the United States (54.8%), Germany (10.68%), and Belgium (8.4%). Coffee exports to the United States as a percentage of total exports have grown significantly in the past few years. Exports are expected to reach 1,300,000 bags in 2008/2009. Export volume has declined sharply during the last 10 years. During 1997/1998 Costa Rica exported 2,086,803 bags, as compared to 1,588,131 bags in 2007/2008.

Although coffee has declined to third place in terms of the export value of agricultural products, it is still an important producer of foreign exchange. In 2007/2008, the export value of coffee reached \$302.3 million, up from \$247.3 million in 2006/2007, only surpassed by bananas and pineapples.

According to preliminary data from ICAFE, the average FOB export price for the 2007/2008 coffee crop was \$189.80 as compared to \$169.52 per bag for the 2006/2007 crop. The average export price has improved since the 2001/2002 crop year.

Export Trade Matrix, Coffee, Green

Costa Rica Coffee, Green 60 kg bags	
Time Period	2007/2008
Exports for:	
U.S.	870,628
Others	
Germany	169,616
Belgium	133,154
Japan	88,154
Italy	65,345
Canada	43,545
Total for Others	496,814
Others not Listed	220,689
Grand Total	1,588,131

Production, Supply and Demand Data Statistics:

Coffee, Green. Costa Rica	2008			2009			2010		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	98	98	98	98	98	98			98
Area Harvested	93	93	93	93	93	93			93
Bearing Trees	384	384	384	384	384	384			384
Non-Bearing Trees	46	46	46	46	46	46			46
Total Tree Population	430	430	430	430	430	430			430
Beginning Stocks	77	77	77	64	170	76			77
Arabica Production	1,882	1,882	1,867	1,880	1,880	1,622			1,730
Robusta Production	0	0	0	0	0	0			0
Other Production	0	0	0	0	0	0			0
Total Production	1,882	1,882	1,867	1,880	1,880	1,622			1,730
Bean Imports	0	0	0	0	0	0			0
Roast & Ground Imports	0	0	0	0	0	0			0
Soluble Imports	0	0	0	0	0	0			0
Total Imports	0	0	0	0	0	0			0
Total Supply	1,959	1,959	1,944	1,944	2,050	1,698			1,807
Bean Exports	1,590	1,451	1,588	1,500	1,500	1,300			1,400
Rst-Grnd Exp.	0	0	0	0	0	0			0
Soluble Exports	0	0	0	0	0	0			0
Total Exports	1,590	1,451	1,588	1,500	1,500	1,300			1,400
Rst,Ground Dom. Consum	300	333	275	300	335	316			325
Soluble Dom. Cons.	5	5	5	5	5	5			5
Domestic Use	305	338	280	305	340	321			330
Ending Stocks	64	170	76	139	210	77			77

(1000 HA)

(1000 HA)

(MILLION TREES)

(MILLION TREES)

(MILLION TREES)

(1000 60 KG BAGS)

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(1000 60 KG BAGS)

(1000 60 KG BAGS)

Total Distribution	1,959	1,959	1,944	1,944	2,050	1,698			1,807
Exportable Production	1,577	1,544	1,587	1,575	1,540	1,301			1,400

(1000 60 KG
BAGS)
(1000 60 KG
BAGS)